



Integrated Country Strategy

KAZAKHSTAN

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1. Chief of Mission Priorities

Kazakhstan is an upper middle-income country that borders world powers Russia and China and shares a broader neighborhood with Afghanistan and Iran. The country has emerged as a regional leader in Central Asia, fostering cooperation between the five countries, even as it pursues an increasingly active role in global affairs, as evidenced by its non-permanent seat on the UN Security Council. It has a long history of partnering with the United States on non-proliferation and plays an important part in supporting a secure and stable Afghanistan – both of which are U.S. priorities. With this, the Mission’s overarching priorities are to strengthen bilateral engagement to ensure continued partnership in support of our regional security goals, to include Afghanistan; further expand our commercial ties, to the benefit of the U.S. and Kazakhstani economies; and provide Kazakhstan a strategic counterweight to its northern and eastern neighbors.

With respect to U.S. security goals, Kazakhstan is not only a partner on regional security challenges, such as supporting Afghan peace, but is also becoming an increasingly important partner on global challenges, including counterterrorism and counternarcotic. U.S.-Kazakhstani law-enforcement and military relationships are strong and growing, and we aim to deepen these ties in pursuit of shared security objectives. The Mission has dramatically increased operational engagement with Kazakhstani law-enforcement and security agencies. The ratification of a Mutual Legal Assistance Treaty provided the legal basis for expanded cooperation on important U.S. priorities, including the fights against terrorism, narcotics trafficking, trafficking in persons, money laundering, terrorism finance, and the proliferation of weapons of mass destruction.

The Mission is increasingly supporting Kazakhstan’s ambitions to professionalize its military and create a non-commissioned officers corps. Kazakhstan’s coming deployment to a UN peacekeeping mission will further solidify the country’s status as a contributor to global security. This is an effort we strongly support. Its desire for closer security cooperation and bilateral agreements in fields such as civil aviation creates new opportunities to further U.S. interests. Accordingly, we aim to help Kazakhstan build its institutional capacity to counter and mitigate threats so it can become an increasingly effective and influential partner in ensuring regional and global security and stability.

We are also engaging Kazakhstan to increase its ability to address non-traditional security challenges, including infectious diseases, regional food insecurity, and emergency preparedness for natural disasters. Kazakhstan is an active participant in the U.S.-Central Asia C5+1 diplomatic platform, through which the United States and the countries of Central Asia work to find concrete solutions to shared challenges.

Another top priority is to expand opportunities for U.S. business in Kazakhstan, which is already an important commercial partner. U.S. companies have invested tens of billions of dollars in

Kazakhstan's world-class oil fields, creating thousands of jobs and providing substantial income to the Government of Kazakhstan as well as to U.S. investors. We will encourage Kazakhstan to take concrete steps to complete its transition to a liberal, market economy that supports innovation and entrepreneurship in order to ensure continued economic growth and stability. We must also look to develop increased opportunities for U.S. trade and investment outside of the oil and gas sector, including in sectors such as information technology, agriculture, and transportation. To safeguard U.S. investments, we will support Kazakhstan's efforts to advance the rule of law, developing public institutions and policies based on democratic practices.

Kazakhstan acceded to the World Trade Organization (WTO) in 2015 with an eye towards improving its investment climate and adherence to international standards. We supported this effort and will work to help Kazakhstan meet its WTO commitments. We will advocate for reforms that develop the private sector and facilitate mutually beneficial trade relations. As Kazakhstan moves toward developing renewable energy, we will work to ensure that leading U.S. companies in green technology have fair and equitable access to the marketplace. We are also encouraging Kazakhstan to use its growing economic influence to act as a leader on critical questions such as shared regional water and energy resources, in support of greater connectivity among Afghanistan and Central and South Asia.

Our priorities include increased engagement with Kazakhstan's citizens in tandem with closer security and economic cooperation with the government. This includes strengthening civil society, working to improve governance, and encouraging compliance with international human rights obligations, including international religious freedom obligations. We seek to improve governance and boost civic engagement. Recognizing that our relationship is with citizens and not just the government, we also seek to enhance people-to-people contacts and expand citizens' access to objective information, thus improving understanding of U.S. policies and culture.

Our priorities also include support for Kazakhstan's efforts to develop its human capital, most notably in education, where Kazakhstan is striving to become a world leader. More and more Kazakhstanis are choosing to attend U.S. universities, and Kazakhstan is working to elevate English-language education in its system. This drive to transform the education system is already paying dividends: a large cadre of professionals educated abroad is rapidly moving up the ranks of business and government, helping propel U.S.-Kazakhstani relations forward in all dimensions. By continuing to support educational exchanges and travel opportunities, we expand critical people-to-people ties and openness to U.S. policies and perspectives. As Kazakhstanis increasingly travel to the United States for business, study, and tourism, we also need to undertake outreach to ensure the proper use of U.S. visas and compliance with U.S. immigration law.

These priorities are aimed at deepening a key regional partnership at a critical moment. Kazakhstan continues to pro-actively define the role it will play within its complicated geopolitical neighborhood: It faces pressing security challenges emanating from the Middle

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East and Afghanistan; it seeks a renewed cooperative relationship with its immediate Central Asian neighbors, especially Uzbekistan; and it is transitioning from being an aid recipient to aid donor as its economy grows.

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2. Mission Strategic Framework

Mission Goal 1: Build Kazakhstani institutional capacity to counter and mitigate threats to stability and sovereignty while becoming an effective and influential partner in ensuring regional and global security.

Mission Objective 1.1: Kazakhstan increases law enforcement, justice, and military capabilities through improved training, equipment, and standing operating procedures to address a wide range of threats, such as transnational crime, cyber security vulnerabilities, and foreign military action.

Mission Objective 1.2: Kazakhstan eliminates the risk that dangerous materials and technologies might be used to make weapons of mass destruction by increasing bilateral cooperation, thus strengthening nonproliferation efforts.

Mission Objective 1.3: Kazakhstan improves health, food, and water security through closer partnership with the United States, the UN and regional partners in order to prevent the spread of disease and ensure environmental stewardship.

Mission Objective 1.4: Kazakhstan enhances its role on the regional and world stage through constructive diplomatic engagement in formats such as the C5+1 platform and participation in international organizations and increased external assistance, thus strengthening its stabilizing influence in the region.

Mission Objective 1.5: Secure the U.S. borders through the strict application of U.S. immigration laws.

Mission Objective 1.6: Given risk of seismic activity in region, increase crisis preparedness for ensuring safety and evacuation of U.S. citizens.

Mission Goal 2: Assist Kazakhstan's transition to a liberal, market economy in order to ensure continued economic growth and support the country's emergence as a driver of stability and prosperity in Central Asia.

Mission Objective 2.1: Kazakhstan promotes greater economic diversity, openness, and competitiveness by undertaking reforms that expand U.S. commercial opportunities and encourage greater private sector development.

Mission Objective 2.2: Kazakhstan's active participation and leadership in various regional fora enhances cooperation and connectivity through trade, better coordination of water and energy resource usage, strengthened security, and more broad-based economic growth.

Mission Goal 3: Support Kazakhstan's efforts to improve governance and boost civic engagement, contributing to the development of effective and accountable institutions capable of operating without foreign assistance

Mission Objective 3.1: Kazakhstan increases the effectiveness and inclusiveness of its governance institutions by promoting accountability and citizen access in order to serve the public good.

Mission Objective 3.2 Kazakhstan expands the space for civil society to develop by honoring international commitments, thus expanding citizens' influence on government and becoming more tolerant of dissent.

Mission Goal 4: Increase citizen access to objective information and forms of expression, improve understanding of U.S. policies and culture, cementing Kazakhstani society as dynamic, inclusive, and well-educated.

Mission Objective 4.1: Kazakhstan strengthens key aspects of its domestic education system, including English language learning, and expands opportunities to study and train in the United States, thus countering stereotypes and fostering a broad-minded worldview among Kazakhstani citizens.

Mission Objective 4.2: Kazakhstan improves free and fair access to objective, editorially diverse information sources, cultivating pluralistic civic engagement and resulting in increased openness to U.S. policies and perspectives.

Management Objective Mission Kazakhstan secures the physical plant, financing, and personnel needed to keep pace with the growing and dynamic U.S.-Kazakhstan relationship, while ensuring the safety and security of the Mission team, including maximum seismic mitigation.

3. Mission Goals and Objectives

Mission Goal 1: Build Kazakhstani institutional capacity to counter and mitigate threats to stability and sovereignty while becoming an effective and influential partner in ensuring regional and global security.

Description and Linkages: Kazakhstan has greatly enhanced its role in global affairs in recent years, becoming a player in global and regional security on a political level. Its seat on the UN Security Council and active interest in mediating conflicts are examples of the role Kazakhstan is seeking to cultivate. Additionally, it remains an active player on non-proliferation and engaged on countering terrorism and violent ideologies. Kazakhstan seeks cooperation with the United States and other partners around the world in these areas. U.S. support for Kazakhstan in its efforts to build institutional capacity in law enforcement and the security sector as well as in the civil society sphere to counter threats emanating from external and internal sources supports Pillars I and III of our National Security Strategy.

Mission Objective 1.1 Kazakhstan increases law enforcement, justice, and military capabilities through improved training, equipment, and standing operating procedures to effectively address a wide range of threats, such as transnational crime, cyber security vulnerabilities, and foreign military action.

Justification: The GOK is attempting to transform its law enforcement entities and justice system into more professional and effective bodies. Helping this transformation improves Kazakhstan's ability to counter threats such as violent extremism, terrorism, transnational crime, cyber-crime, trafficking in persons, narcotrafficking and corruption, and will pay large dividends in Kazakhstan and the region, including Afghanistan. The GOK is also working with the United States to modernize and professionalize its armed services.

Mission Objective 1.2 Kazakhstan eliminates the risk that dangerous materials and technologies might be used to make weapons of mass destruction by increasing bilateral cooperation, thus strengthening nonproliferation efforts.

Justification: Cooperation under the aegis of the Cooperative Threat Reduction Agreement has been a fundamental pillar of U.S.-Kazakhstan relations since the 1990s, and we aim to strengthen that cooperation. The United States Defense Threat Reduction Agency (DTRA) has made great progress working with Kazakhstan to enhance bio-safety and bio-security by consolidating and securing extremely dangerous pathogen collections in safe, centralized facilities, and continuing this work will enable us to almost completely eliminate those risks. Department of Energy (DOE) programs aim to improve physical protection of nuclear and radiological materials, nuclear safeguards, nuclear forensics, radiation detection at border crossings and points of entry, the conversion of nuclear research reactors, the removal and disposition of weapons-usable special nuclear materials, and enforcement of strategic trade controls.

Export Control and related Border Security (EXBS) programs work with partner agencies to modernize Kazakhstan's export control laws and licensing practices, and enhance enforcement agencies' abilities to identify and interdict illicit trafficking of strategic goods. Kazakhstan will continue efforts to deter, detect, and interdict illicit trafficking of nuclear and other radioactive materials and strategic goods. Together, these will further reduce the risk such materials and technology pose.

Mission Objective 1.3: Kazakhstan improves health, food, and water security through closer partnership with the United States, the UN and regional partners, in order to prevent the spread of disease and ensure environmental stewardship.

Justification: Kazakhstan has declared its commitment to global health security by engaging in a public health system evaluation process and developing a strategic roadmap to improve disease surveillance, laboratory systems, training of public health cadres, investing in combating antimicrobial resistance, and developing a public health emergency operations center. Infectious diseases such as influenza, Crimean-Congo hemorrhagic fever (CCHF), meningitis, hepatitis, AIDS and drug-resistant tuberculosis (TB) among others remain acute in Kazakhstan, despite reductions over the past decade. The lack of trans-boundary cooperation against health threats and continued poor clinical diagnostic practices exacerbate the challenges of timely diagnosis and treatment of these diseases. These challenges are complicated by the fact that many Kazakhstanis are also living with chronic diseases like cardiovascular disease, hypertension, and diabetes. While the country has made strides in ensuring food security in recent years, the agriculture sector and food safety systems remain underdeveloped. The country has strengthened its capacity to manage water resources, such that it has the potential to become a key regional partner in integrated water resource management. While, transboundary disputes over access to water are a security threat, recent openings in regional cooperation present opportunities for engagement.

Mission Objective 1.4: Kazakhstan enhances its role on the regional and world stage through constructive diplomatic engagement in formats such as the C5+1 platform, participation in international organizations, and increased delivery of external assistance, thus strengthening its stabilizing influence in the region.

Justification: Kazakhstan sees itself as Central Asia's economic, security, and (future) development leader. The government's interest in playing an active role in global affairs, its support for the C5+1 and for our South Asia Strategy offers us opportunities to deepen collaboration on topics of mutual interest, encourage Kazakhstan to continue constructive engagement, and honor international commitments. Kazakhstan's non-permanent seat on the UN Security Council, its intent to deploy UN peacekeepers, and other activities such as its scholarship program for Afghan students typify its orientation towards global engagement. In the region, Kazakhstan remains at the forefront of efforts to promote cooperation among the countries of Central Asia, including through the C5+1 platform. Helping to support Kazakhstan's transition from aid recipient to donor and collaborating with Kazakhstan as it shoulders more regional responsibility provides us an opening to contribute to regional peace and stability.

Mission Objective 1.5: Secure the U.S. borders through the strict application of U.S. immigration laws.

Justification: Protecting the safety and security of Americans in both Kazakhstan and the United States is the core national security goal of our country, as protecting the homeland is the first pillar of the National Security Strategy. Protecting U.S. border security by ensuring rigorous screening of applicants and applying strong fraud prevention measures are means to advance this central objective. Measures to achieve this objective strengthen our ability to protect the American people and to enhance the prosperity of the United States.

Mission Objective 1.6: Given risk of seismic activity in region, increase crisis preparedness for ensuring safety and evacuation of U.S. citizens.

Justification: Kazakhstan, and the Central Asia region writ large, is prone to natural disasters, including earthquakes, floods, and landslides, which have the potential to interrupt communications infrastructure and endanger the health and safety of inhabitants and visitors alike. Proper preparedness for such events will strengthen the Mission's ability to respond to the needs of the U.S. citizens in a crisis, including offering effective evacuation procedures (or receiving evacuees from elsewhere in the region seeking safe passage through Kazakhstan).

Mission Goal 2: Assist Kazakhstan's transition to a liberal, market economy in order to ensure continued economic growth and support the country's emergence as a driver of stability and prosperity in Central Asia.

Description and Linkages: Kazakhstan has achieved impressive economic growth since its independence in 1991, in part due to tens of billions of dollars in investment from U.S. energy companies. Despite this growth, successfully joining the World Trade Organization (WTO) in 2015, and implementing a number of economic reforms, Kazakhstan struggles to diversify an economy that remains dependent on natural resources (especially the production and export of crude oil), to shrink the dominant role of state-owned enterprises, and to undertake key reforms to fully transition to a liberal, market economy. A steep fall in government oil revenue and a major currency depreciation in 2015 reduced consumption and slowed economic growth, though the economy started to recover in 2017. Kazakhstan remains a difficult place for U.S. businesses to operate. Increased economic diversification and competitiveness will increase national income and expenditure, employment and tax revenue for public services.

Helping Kazakhstan with its transition and economic reforms links with Goal 2.1 of the Joint USAID-State Strategic Plan (JSP) to "promote American prosperity by advancing bilateral relationships... to open markets and secure commercial opportunities," as well as with Pillar 2 of the National Security Strategy, which notes that "by strengthening the international trading system and incentivizing other countries to embrace market-friendly policies, we can enhance our prosperity."

Mission Objective 2.1 Kazakhstan promotes greater economic diversity, openness, and competitiveness by enacting economic reform and expanding trade and markets, thereby increasing U.S. commercial opportunities and encouraging greater private sector development.

Justification: The United States worked closely with the government of Kazakhstan to become the WTO's 162nd member. As part of its accession, the country signed a bilateral market access deal in goods and services with the United States, agreed to comply with the Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) agreements, and implement the Trade-Related Intellectual Property Rights (TRIPS) agreement. Kazakhstan's adherence to its WTO commitments – some of which have phase-in periods – has been uneven. Kazakhstan has made minimal progress when it comes to burdensome local content requirements for international companies in the oil and gas sector. Additionally, the country's intellectual property regime remains deficient. To improve investment and export opportunities for U.S. businesses, including in the agricultural, energy, services, higher education, and infrastructure sectors, we will assist Kazakhstan with reforms that improve transparency, implement international standards and best practices, and streamline bureaucratic procedures. U.S. companies, with their world leading technologies and business practices, are well positioned to take advantage of opportunities should Kazakhstan diversify and open its economy. Helping Kazakhstan increase its economic competitiveness will also strengthen the country's ability to withstand external shocks (e.g. a sharp decrease in the price of oil), benefiting regional stability.

Mission Objective 2.2: Kazakhstan's active participation and leadership in various regional fora enhances cooperation and connectivity through trade, better coordination of water and energy resource usage, strengthened security, and more broad-based economic growth.

Justification: Greater intra-regional trade could drive growth and provide opportunities for U.S. and other international businesses, especially in key areas such as services, civil aviation, energy, mining, and higher education. Integration is hampered by political disputes, bureaucratic hurdles, and weak or non-existent structures that ensure the efficient allocation of water and energy resources.

Several significant developments could bode well for the prospects of integration, including international and regional cooperation on physical infrastructure initiatives that could improve trade links. However, several of these processes raise concerns regarding unsustainable debt and transparency. Kazakhstan is actively engaging with Uzbekistan as the latter seeks to improve regional relations, presenting new opportunities. Improved Central Asian regional trade could further enhance connectivity with the broader South and Central Asian region. As the largest economy in the region, Kazakhstan has the potential to play a leading role in driving integration efforts. Through regional programming, including the C5+1 diplomatic platform, the Mission will work with Kazakhstan to improve intraregional cooperation in trade, energy, and water resource management.

Mission Goal 3: Support Kazakhstan's efforts to improve governance and boost civic engagement, contributing to the development of effective and accountable institutions capable of operating without foreign assistance

Description and Linkages: A robust civil society with well-functioning and accountable institutions will be essential to ensuring the continued stability and prosperity of Kazakhstan. Unfortunately, progress in these areas has not kept pace with the rapid economic growth in recent years. Political institutions lack transparency, with few mechanisms to ensure that they are accountable to citizens. While a civil society sector exists, it has yet to develop a robust network of constituents, with civil society organizations (CSOs) largely dependent on foreign donors or (increasingly) the State for funding. Civic engagement is relatively weak, and citizens have few avenues for voicing discontent. The government is open to engagement with the United States in the rule of law sector and institutions such as the judiciary have been receptive to rule-of-law programming from the United States and other donors. Diplomatic engagement has already proven its efficacy on this front and foreign assistance also plays a role in supporting continued development of state institutions -- while also helping civil society to become sustainable and better equipped to represent the interests of the population.

This goal is in line with Goal 6 of the Joint Regional Strategy, which aims to advance more democratic, accountable and inclusive governance. Furthermore, as described in Pillar IV of the national security strategy, programs that promote a just society that respects dignity and the rule of law are an important tool for advancing American values.

Mission Objective 3.1: Kazakhstan increases the effectiveness and inclusiveness of its governance institutions by promoting accountability and citizen access in order to serve the public good.

Justification: Governance and accountability are challenges in Kazakhstan. The government does not often engage in open decision-making and only occasionally seeks public input. Kazakhstan's government also shows distrust towards some civil society organizations, which has created rifts between government bodies and civic actors. At the same time, a lack of transparency, civic engagement, and access to information, has led to results in non-responsive policy outcomes and poor service delivery. Despite economic advances, corruption and a lack of candor on social issues are also viewed as continuing concerns.

Mission Objective 3.2 Kazakhstan expands the space for civil society to develop by honoring international commitments, thus expanding citizens' influence on government and becoming more tolerant of dissent.

Justification: Civil society development in Kazakhstan has lagged behind economic development, the average citizen's material well-being has improved dramatically since independence, even though that citizen does not play a markedly greater role influencing state policy than she did 20 years ago. Just as Kazakhstan needs continued

assistance completing its transition to a market economy, assistance is also required to ensure that civil society has a chance to grow and flourish in the country. That space has been restricted in recent years, by laws on religious freedom, labor unions, and other public associations. By supporting civil society development, we can help reverse that trend, helping Kazakhstan live up to its international obligations.

Mission Goal 4: Increase citizen access to objective information and forms of expression and improve understanding of U.S. policies and culture, cementing Kazakhstani society as dynamic, inclusive, and well-educated.

Description and Linkages: While Kazakhstan has taken many steps toward modernization in key areas, the country's geographic isolation, low population density, and strict/outdated government regulation present challenges for the general population to connect to global networks, and in particular to the United States. Expanding the information space and the types of information flowing into that space directly addresses Goal 6 of the Joint Regional Strategy, i.e. a South and Central Asia region with more democratic, accountable and inclusive governance and sustainable economic development. These efforts also create foundation for addressing Goal 4, i.e., greater regional economic cooperation in South and Central Asia that promotes greater prosperity and stability across the region, including creating a constituency for peace and economic progress in Afghanistan. A relatively low level of English fluency across the country constrains Kazakhstanis' ability to interact with U.S. and other counterparts in all sectors included in the ICS. As such, improving English proficiency and access to information increases the impact of all other Mission activities.

Mission Objective 4.1: Kazakhstan strengthens key aspects of its domestic education system, including English language learning, and expands opportunities to study and train in the United States, thus countering stereotypes and fostering a broad-minded worldview among Kazakhstani citizens.

Justification: The government is now implementing a number of reforms to restore credibility and bring the education system in line with international standards. These systemic improvements and expanded opportunities for study in the United States, will play a key role in fostering a broadened worldview among Kazakhstanis – 40 percent of whom are under the age of 25 – and counter stereotypes about the West in general, and the United States in particular.

Mission Objective 4.2: Kazakhstan improves free and fair access to objective, editorially diverse information sources, cultivating pluralistic civic engagement and resulting in increased openness to U.S. policies and perspectives.

Justification: The US Mission may improve access to a wider range of objective information sources is also critical and could be supported by better trained traditional media, and through social media and other direct communication with the Mission, which would provide an avenue to provide a different perspective on the West. Foreign assistance focused on capacity development can play an important role in equipping

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independent media to become financially sustainable in the future, enabling Kazakhstan to develop as a more free and pluralistic society. Accordingly, the US Mission will work to expand access to objective news and information by supporting innovative programming and working with government and media actors to strengthen the media and access to the information/legal-enabling environment in Kazakhstan.

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4. Management Objectives

Management Objective 1: Mission Kazakhstan secures the physical plant, financing, and personnel needed to keep pace with the growing and dynamic U.S.-Kazakhstan relationship, while ensuring the safety and security of the Mission team, including maximum seismic mitigation.

Justification: The visibility of Mission Kazakhstan's work has only grown with the Enhanced Strategic Partnership. Consequently, the importance of ensuring an effective, efficient, and secure platform for the work of the Mission also has grown. The Mission recognizes that efforts to ensure safe, quality residential and office space for employees and their families and to upgrade the human capital of the Mission are mutually reinforcing.